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Via [publicaccess.bpu.state.nj.us](https://publicaccess.bpu.state.nj.us)

Sherri L. Golden  
Secretary of the Board  
44 South Clinton Ave, 1st Floor  
PO Box 350  
Trenton, NJ 08625-0350

Re: Docket No. QO22080540

Dear Secretary Golden,

InClima would like to submit the following comments in response to the straw proposal and request for comments released on Nov 7, 2024 in the matter of the New Jersey Energy Storage Incentive Program 2024 Straw Proposal, Docket No. QO22080540.

1. In our experience administering adjustable block programs, we've found the declining block mechanism described in the Straw Proposal only works if the prices for storage systems monotonically decline. We have seen recent supply chain issues result in prices sometimes increasing in the short to medium term. If this occurs while the program is running, the declining block mechanism will decrease the incentive to the point that it is no longer sufficient to incentivize development, and development will cease until BPU staff re-evaluate pricing. A more sustainable system that does not require repeated BPU staff intervention would be a block system that can go up or down based on responsiveness of the market to the incentive. For example, a block of size X is open at price \$Y. If it is filled in less than a month, the price for the next block goes down by 15%. If it is filled in less than 3 months then the price for the next block goes down by 10%. If it is filled in less than 6 months the price for the next block goes down by 5%. If it remains unfilled after 9 months, the price for the current block goes up by 5% and continues to go up by 5% every month until the block is filled, then the declining block structure described above goes into effect again. The times and decrease/increase percentages in the above example are somewhat arbitrary, but a system with this general design will increase certainty for the market and significantly decrease workload for BPU staff.

2. The straw proposal refers to "Major Permits" in several areas but does not define what constitutes a "Major Permit". We have found that there can be considerable uncertainty around which permits are required for these projects, when a developer would be aware that those permits would be required, and how a program administrator would know if a given permit is required for a given project. Clearly defining and delineating this in the Board Order will increase market certainty and make the program much easier to administer.

3. Which of the sub-programs, if any, would customers served by municipal or co-op electric



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companies be eligible to participate in? It would be helpful to have thought through and addressed this issue in the Board Order.

Thank you for providing the updated straw proposal and the opportunity to comment. We are happy to provide additional information or suggestions related to any of our comments.

Regards,

A handwritten signature in black ink that reads "Kevin Quilliam".

Kevin Quilliam  
CEO, InClima